

State of Idaho
DEPARTMENT OF INSURANCE

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GARY L. SMITH
Director

June 22, 2006

**NOTICE OF MEETING TO DISCUSS RULES RELATING TO HEALTH
INSURANCE COVERAGE FOR NEWBORNS AND ADOPTED
CHILDREN, INCLUDING COVERAGE FOR CONGENITAL ANOMALIES**

To All Interested Parties:

The Idaho Department of Insurance has previously given notice of its intent to promulgate rules and engage in negotiated rulemaking for the purpose of clarifying the obligations of health insurance carriers to provide coverage to newborn and adopted children, including coverage for congenital anomalies.

By this notice the Department is informing interested parties that a meeting will be held on **Thursday, June 29, 2006, at 10:00 a.m. in Conference Room 3 of the offices of the Idaho Department of Insurance located at 700 W. State Street, third floor, Boise, Idaho.** The purpose of the meeting is to discuss rulemaking relating to health insurance coverage for newborns and adopted children. The meeting will allow interested parties to provide oral or written comments prior to the agency engaging in the formal rulemaking process. The meeting site is accessible for persons with disabilities; if you will require special accommodations, please contact the undersigned.

Idaho Code Sections 41-2140, 41-2210, 41-3437, 41-3923, and 41-4023 require health insurance contracts issued in Idaho that provide coverage for newborn dependent children to also provide coverage for adopted children. These sections further require that the coverage provided to newborns and adopted children include coverage for congenital anomalies. The Department intends to adopt rules that would clarify the application of these requirements. Items that may be addressed by these rules include: defining what constitutes a congenital anomaly for purposes of these statutes; identifying the types of coverage to which the requirements apply; explaining whether any coverage exclusions are permitted; explaining whether there is any age limit applicable to the congenital anomaly coverage; and explaining the effect on coverage if an insured moves to a different carrier. The pertinent statutory language is set forth in Attachment A to this Notice.

To obtain an accurate count of the number of handouts that may be needed, please notify the undersigned of your intent to attend the meeting.



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ATTACHMENT A

Coverage of newborn and adopted children; pregnancy and complications

(1) Any disability insurance contract delivered or issued for delivery in this state which provides coverage for injury or sickness for newborn dependent children of the insured, shall provide such coverage for such newborn children, including adopted newborn children that are placed with the adoptive insured within sixty (60) days of the adopted child's date of birth, from and after the moment of birth. Coverage under the contract for an adopted newborn child placed with the adoptive insured more than sixty (60) days after the birth of the adopted child shall be from and after the date the child is so placed. Coverage provided in accord with this section shall include, but not be limited to, coverage for congenital anomalies. For the purposes of this section, "child" means an individual who has not attained age eighteen (18) years as of the date of the adoption or placement for adoption. For the purposes of this section, "placed" shall mean physical placement in the care of the adoptive insured, or in those circumstances in which such physical placement is prevented due to the medical needs of the child requiring placement in a medical facility, it shall mean when the adoptive insured signs an agreement for adoption of such child and signs an agreement assuming financial responsibility for such child. Prior to legal finalization of adoption, the coverage required under the provisions of this subsection (1) as to a child placed for adoption with an insured continues in the same manner as it would with respect to a naturally born child of the insured until the first to occur of the following events:

(a) Date the child is removed permanently from that placement and the legal obligation terminates; or

(b) The date the insured rescinds, in writing, the agreement of adoption or agreement assuming financial responsibility.

(2) An insurer shall not restrict coverage under a disability insurance policy of any dependent child adopted by a participant or beneficiary, or placed with a participant or beneficiary for adoption, solely on the basis of a preexisting condition of the child at the time the child would otherwise become eligible for coverage under the plan, if the adoption or placement for adoption occurs which the participant or beneficiary is eligible for coverage under the plan.

(3) No policy of disability insurance which provides maternity benefits for a person covered continuously from conception shall be issued, amended, delivered, or renewed in this state on or after January 1, 1977, if it contains any exclusion, reduction, or other limitations as to coverage, deductibles, or coinsurance provisions, as to involuntary complications of pregnancy, unless such provisions apply generally to all benefits paid under the policy. If a fixed amount is specified in such policy for surgery, the fixed amounts for surgical procedures involving involuntary complications of pregnancy shall be commensurate with other fixed amounts payable for procedures of comparable difficulty and severity. In a case where a fixed amount is payable for maternity benefits, involuntary complications of pregnancy shall be deemed an illness and entitled to benefits otherwise provided by the policy. Where the policy contains a maternity deductible, the maternity deductible shall apply only to expenses resulting from normal delivery and cesarean section delivery; however, expenses for cesarean section delivery in excess of the deductible shall be treated as

expenses for any other illness under the policy. This section shall apply to all disability policies except individual noncancelable or guaranteed renewable policies, issued or delivered before January 1, 1977.

With respect to such individual noncancelable or guaranteed renewable policies issued or delivered before January 1, 1977, the insurer shall communicate the availability of coverage of involuntary complications of pregnancy when negotiating any changes in such policies.

For purposes of this section, involuntary complications of pregnancy shall include, but not be limited to, puerperal infection, eclampsia, cesarean section delivery, ectopic pregnancy, and toxemia.

All policies subject to this section and issued, amended, delivered, or renewed in this state on or after January 1, 1977, shall be construed to be in compliance with this section, and any provision in any such policy which is in conflict with this section shall be of no force or effect.

(4) From and after January 1, 1998, no policy of disability insurance which provides medical expense maternity benefits, shall restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child in a manner that would be in conflict with the newborns' and mothers' health protection act of 1996.